

Exhibit 20

Corporate Compliance Quarterly Report to Board of Directors 4Q09

February 4, 2010

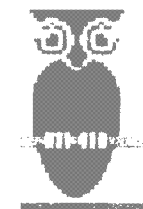
Bert Weinstein

Vice President, Corporate Compliance



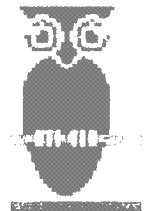
Agenda

- Purdue's CIA
 - Two OIG Matters Closed
 - CIA Monitoring
- State Reporting
- Purdue's National Sales Meeting, January 10-14
- Hotline Calls and Other Inquiries
- Comparison of Purdue's compliance program with features of Recent CIAs
- Other compliance oversight activities



Purdue's CIA

We are at the halfway mark of Purdue's
five year CIA



OIG Communications

Two outstanding matters closed by OIG with “no action”

1) Field Contact Report Matter

Recap: Investigation revealed that a few District Managers had fallen short of expectations for: reviews of call notes; time spent in field doing ride-alongs with representatives; routine administrative activities; accurate and complete documentation (calendars, FCRs, etc.)

OIG’s November 24, 2009 email notes:

- “Purdue promptly notified OIG of its discovery” of the issue
- “promptly conducted a nationwide investigation”
- “took remedial action” in consultation with OIG
- “re-trained personnel”
- “commitments made...had been accomplished”
- *“At this time we have no further questions about this matter.”*



OIG Communications

2) OxyContin Savings Card Investigation

Recap: In March, 2009 Purdue discovered and reported to OIG the existence of representative call notes with references to savings cards and federal healthcare programs. Use of the savings cards with such programs is unlawful, and explicitly prohibited by the terms of the cards themselves. Thoroughly investigated by outside counsel, with no evidence of any improper use, OIG remained concerned with risk.

OIG's November 24, 2009 email notes:

"Purdue has met its reporting obligation,' with no further action to be taken by OIG."

Purdue is nevertheless implementing two new safeguards – a new card activation process (like a credit card), and a new pharmacist verification process when prescriptions are filled

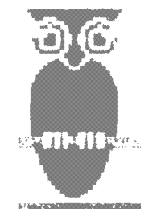


CIA- Sales Promotion Monitoring – 4Q09

Purdue's CIA requires Corporate Compliance to review Field Contact Reports (FCRs) with a compliance category rating of "1," indicating less than 100% compliance with Sales SOPs

- 594 FCRs were prepared during 4Q09
 - 68 FCRs had a Compliance Rating of "1"
 - 7 of the FCRs required more complete Compliance review
 - Two representatives received warning letters for possession of discontinued materials
 - One representative received warning letter for making improper changes to expenses
 - One representative received warning letter for improper statements made during promotion (long acting medication – no "roller coaster ride")

Note – We closely monitor our FCRs, and are already well-along in satisfying the 5 FCR day requirement



CIA Medical Services Monitoring – 4Q09

Purdue's CIA requires review of certain HCP inquiries to our Medical Services department regarding sales representative referrals (reflects OIG's general concern for off-label or improper promotion)

- During 4Q09 there were a total of 4058 Inquiries received by Medical Services concerning *all products*
 - 1601 of these inquiries concerned OxyContin and Ryzolt, the “Covered Products” during CIA year 3
 - 120 of the inquiries fell into the CIA specified categories
 - 38 of these inquiries require review (not completed yet)



Federal & State Law Update

- Federal Physicians Sunshine Act

- Since the provisions of this HCP expense reporting requirement are contained in the pending healthcare reform legislation, outlook is “cloudy”

- Reminder: Massachusetts and Vermont gift and meal restrictions apply to all Purdue employees, and Board members

- Planning one-on-one training

- You *may* provide gifts and meals to Massachusetts and Vermont-licensed HCPs with whom you have ***personal relationships***

- Otherwise:

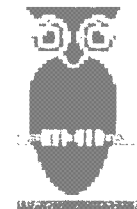
- Vermont** - ban on meals with VT-licensed HCPs regardless of locale

- Massachusetts** - meals provided to MA-licensed HCPs must be *in the HCP's office or a hospital setting*, and must be *accompanied by an “informational presentation”*

- Meals less than \$50/person/event - not reportable

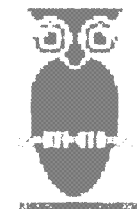
- Applies to meals in-state or out-of-state

- Whether or not expensed to Purdue



Purdue's National Sales Meeting

- Presentation: *"Why should compliance matter to you?"*
 - Video of 2009 compliance highlights (a version of *Jaws* for reps)
 - Review of CIA history
 - Compliance hot topics: prosecutors looking for jail time, and focused on off-label promotion, and savings card abuse; Federal Sunshine Act
- Scenario-based Workshops "owned" by all the District Managers
 - Focused on nine important issues in the field (and a "snowball fight")
 - Abuse and Diversion Reporting
 - In-service meals and expenses (2)
 - Off-label promotion
 - Contributions / kickbacks
 - Comparative claims
 - Use of discontinued materials
 - Call notes
 - Savings cards

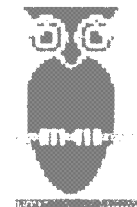


Purdue's National Sales Meeting

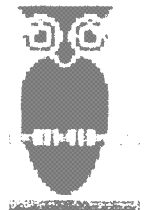
Bottom line:

During the five days of the meeting, Purdue's representatives and managers consistently demonstrated their serious and mature commitment to Purdue.

They understand the importance of compliance, and have very good understanding and skills in handling difficult compliance scenarios.



Hotline Calls and Other Inquiries 4Q09



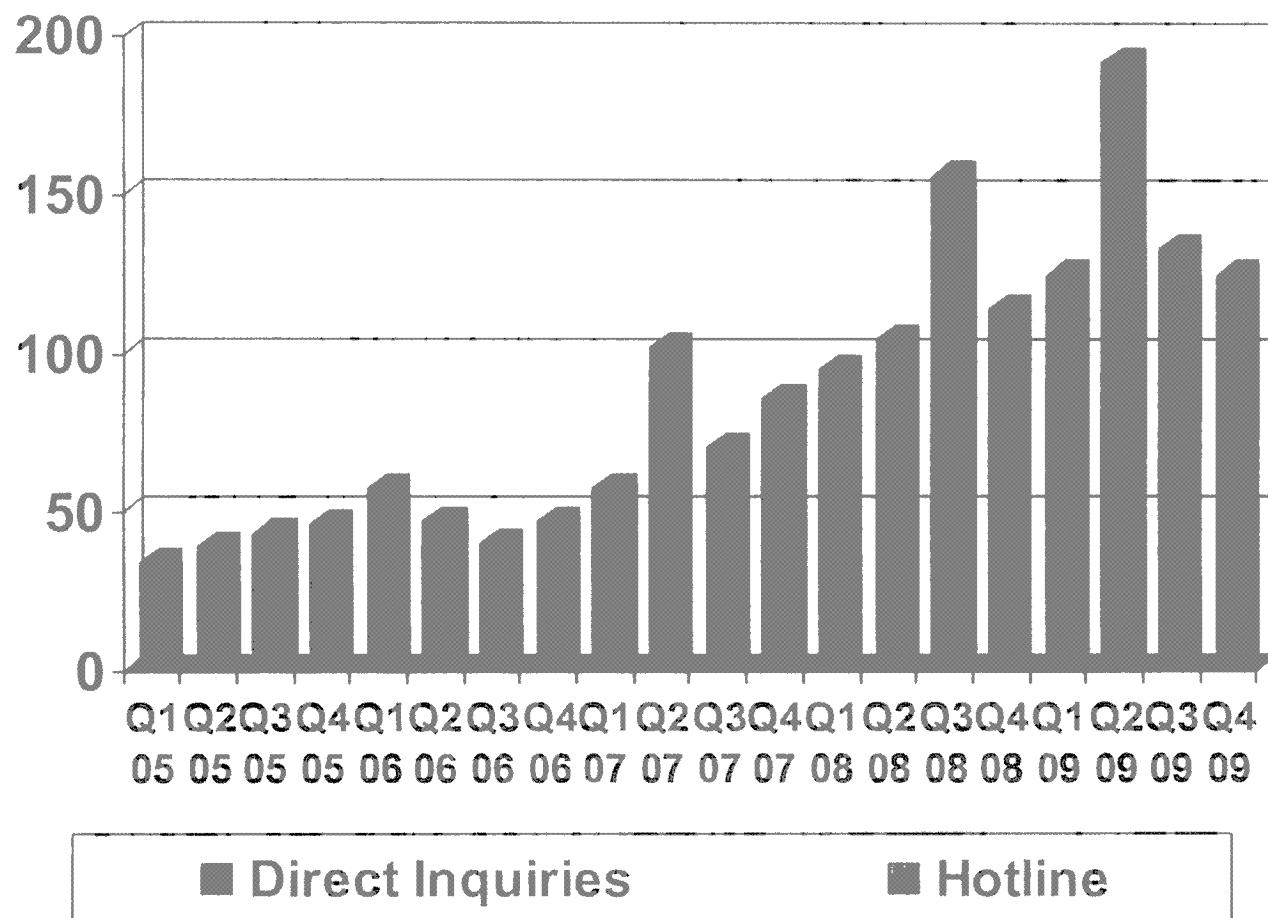
Hotline and Other Inquiries 4Q09

Compliance had 125 “matters” in 4Q09, including:

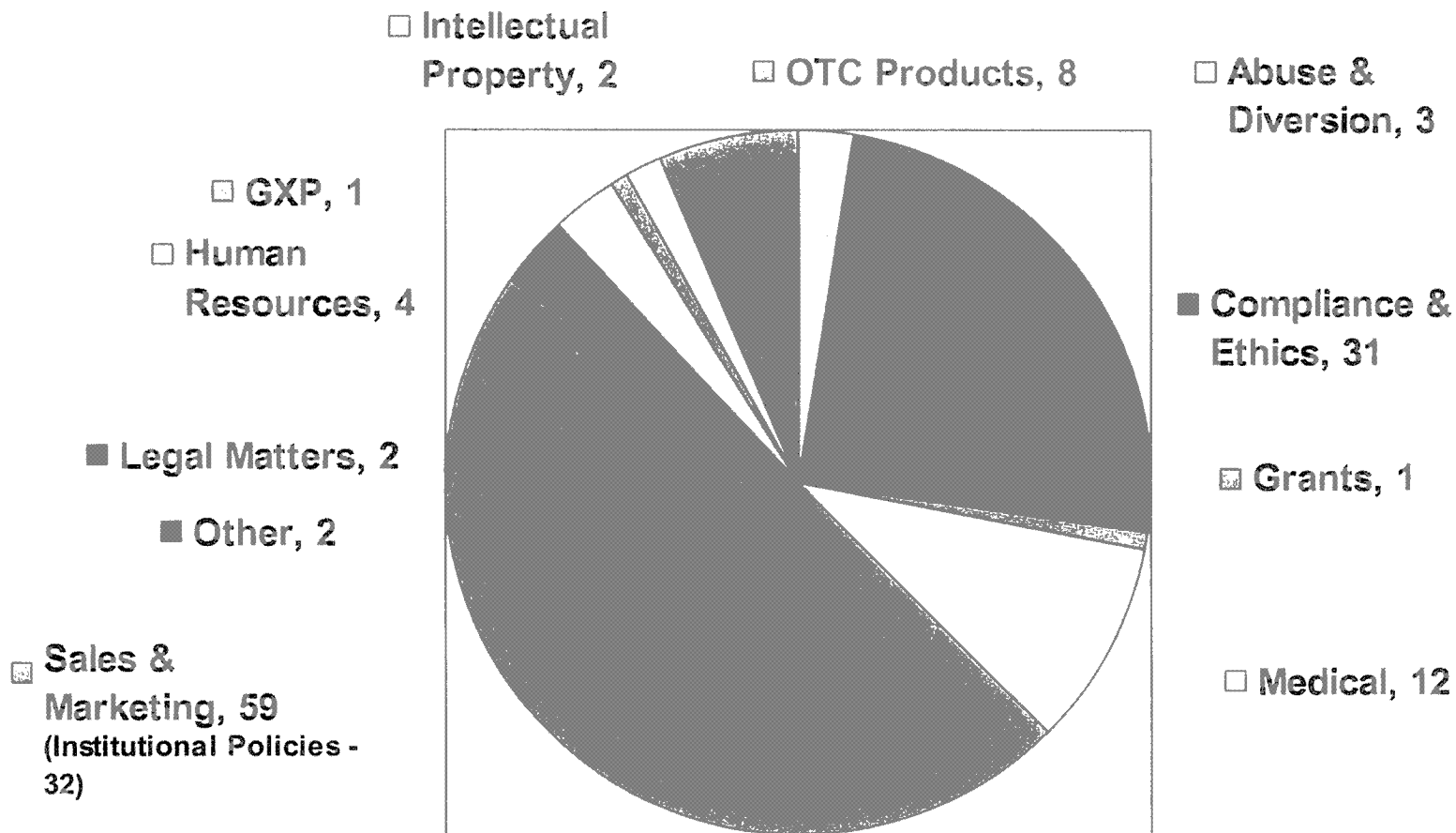
- 59 Sales and Marketing matters relating to promotion, marketing materials, gifts, meals, CIA compliance, and grants (32 requests from sales reps seeking review of Institutional Policies)
- 14 employee inquiries reporting potential conflicts of interest, seeking guidance
- No significant matters outstanding



Inquiries by Quarter (1Q05 – 4Q09)

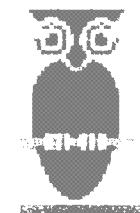
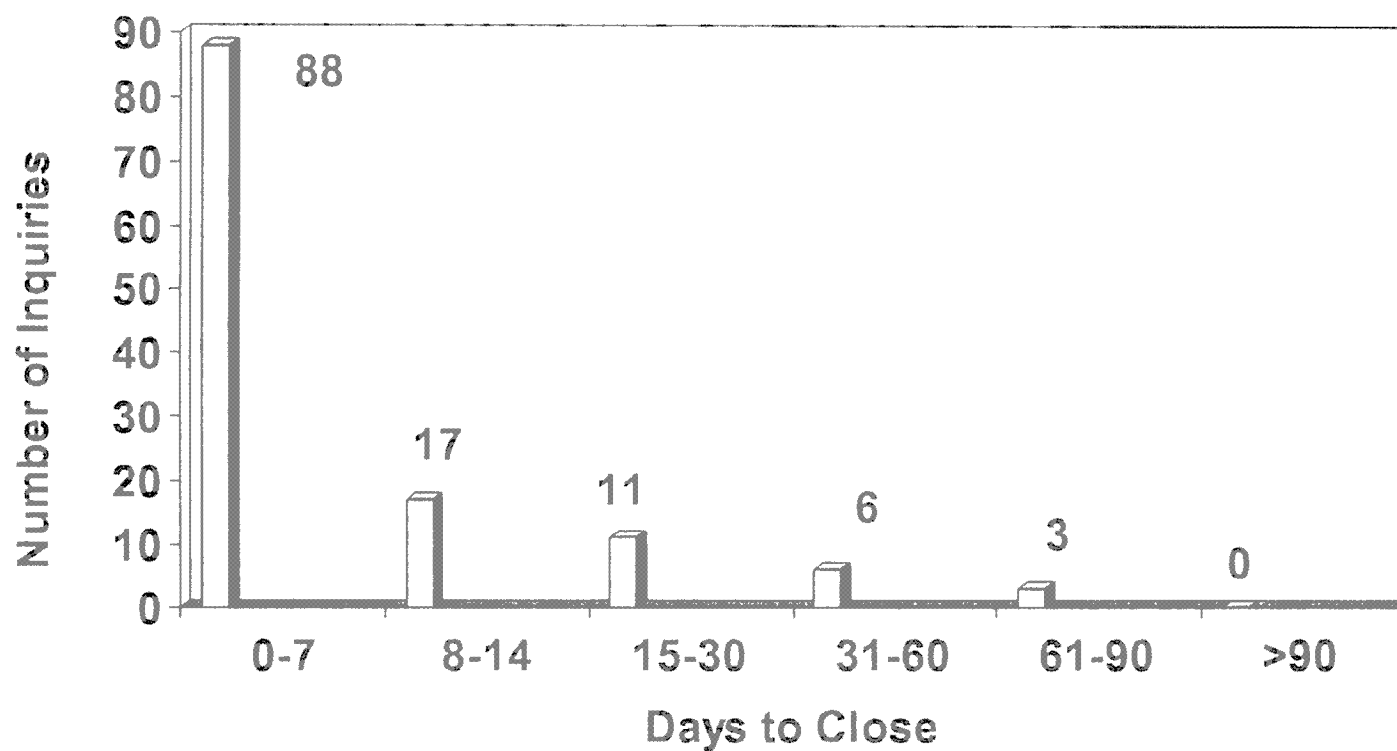


4Q09 Compliance Inquiries



Inquiry Response Time

Days to Close Inquiries 4Q09 (as of 1/19/10)



How Does Purdue Compare?

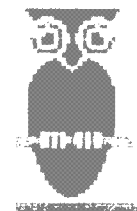
During our Compliance Report to the Board in October, we were asked to consider augmenting Purdue's compliance program to implement new features contained in the most recent CIAs.

The chart on the following page shows the extent to which Purdue is "ahead of the curve."



Recent CIA Compliance Requirements

CIA Requirement	Cephalon 9/08	Lilly 1/09	Pfizer 8/09	Purdue 7/07
Board Certifications	X	X	X	
Exec./Emp. Certifications	X	X	X	Begun 7/09
Disclose Educ. Grants and Charitable Donations		X	X	
Disclose of HCP Payments	X	X	X	Pending
Monitor Off-Label Requests	X	X	X	X
Compliance Ride-Alongs	X	X	X	Begun 1/05
Field Supervisor Monitoring			X	X
Speaker Program Monitoring	X		X	Will do when have
Call Note / Sales Record Reviews			X	Begun 5/07
Monitor Publications			X	Legal Dept
Review "Verbatims"	X	X	X	FCRs, in lieu of
OIG "Wildcard" IRO Reviews	X	X	X	
Risk Analyses & "IRO" Reviews			X	Partial



Major Compliance Oversight Activities

- Compliance Council – senior execs with responsibility for CIA and compliance oversight meet quarterly, review audits and investigations; recently conducted review of Abuse and Diversion Detection Program and Quality program
- Reportable Events Committee – senior medical, Legal, regulatory and compliance execs meet monthly- review all pending compliance and other matters
- Sales and Marketing Compliance Committee – senior Sales and Marketing and Compliance execs meet every six weeks
- Sales Discipline Committee – Sales, Legal, HR and Compliance meet weekly to discuss open matters and decide discipline
- R&D compliance – Compliance Manager focusing on this area

